



FEDERAL RESERVE SYSTEM

Agency Information Collection Activities: Announcement of Board Approval Under Delegated Authority and Submission to OMB

AGENCY: Board of Governors of the Federal Reserve System

SUMMARY: Notice is hereby given of the final approval of a proposed information collection by the Board of Governors of the Federal Reserve System (Board) under OMB delegated authority, as per 5 CFR 1320.16 (OMB Regulations on Controlling Paperwork Burdens on the Public). Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the Paperwork Reduction Act Submission, supporting statements and approved collection of information instrument(s) are placed into OMB's public docket files. The Federal Reserve may not conduct or sponsor, and the respondent is not required to respond to, an information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB control number.

FOR FURTHER INFORMATION CONTACT: Federal Reserve Board Clearance Officer – Nuha Elmaghrabi – Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, D.C. 20551 (202) 452-3829. Telecommunications Device for the Deaf (TDD) users may contact (202) 263-4869, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

OMB Desk Officer – Shagufta Ahmed – Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, N.W., Washington, D.C. 20503.

Final approval under OMB delegated authority of the extension for three years, with revision, of the following report:

Report title: Recordkeeping and disclosure requirements associated with the Truth in Lending Act (TILA) (Regulation Z).

Agency form number: Reg Z.

OMB control number: 7100-0199.

Frequency: Event-generated.

Reporters: State member banks, their subsidiaries, subsidiaries of bank holding companies, U.S. branches and agencies of foreign banks (other than federal branches, federal agencies, and insured state branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25A of the Federal Reserve Act (12 U.S.C. 601-604a; 611-631).

Estimated annual reporting hours: Open-end (not home-secured credit): Applications and solicitations, 16,896 hours; Account opening disclosures, 5,060 hours; Periodic statements, 95,232 hours; Change-in-terms disclosures, 62,000 hours; Timely settlement

of estate debts policies (one-time), 7,936 hours; Timely settlement of estate debts policies (ongoing), 744 hours; Ability to pay policies (one-time), 1,408 hours; Ability to pay policies (ongoing), 132 hours; and Reporting and marketing rules for college student open-end credit and Internet posting of credit card agreements, 5,632 hours; Open-end credit (Home Equity Plans): Application disclosures, 12,522 hours; Account opening disclosures, 18,228 hours; Periodic statements, 60,864 hours; Change-in-terms disclosures, 39,625 hours; and Notices to restrict credit, 317 hours; All open-end credit: Error resolution – credit cards, 12,760 hours and other open-end credit, 992 hours; Closed-end credit (Non-mortgage): Closed-end credit disclosures, 265,658 hours; Closed-end credit (Mortgage): Interest rate and payment summary and “No guarantee-to-refinance” statement, 304,320 hours; ARM disclosure (one-time), 951 hours; ARM disclosures (ongoing), 107,780 hours; Initial rate adjustment notice (one-time), 1,268 hours; Initial rate adjustment notice (ongoing), 53,890 hours; Periodic statements (one-time), 845 hours; Periodic statements (ongoing), 224,013 hours; and Verification of documents for Qualified Mortgage (QM) and non-QM determination (one-time), 444 hours; Open and closed-end mortgage: Prompt crediting & payoff statement (one-time), 528 hours; Payoff statements (ongoing), 42,267 hours; and Mortgage transfer disclosure, 60,864 hours; Certain home mortgage types: Reverse mortgage disclosures, 188 hours; HOEPA disclosures (one-time), 500 hours; HOEPA disclosures (ongoing), 4,200 hours; HOEPA receipt of certification of counseling for high-cost mortgages (one-time), 19 hours; HOEPA receipt of certification of counseling for high-cost mortgages (ongoing), 25 hours; Appraisals for higher-priced mortgage loans: Order and review initial appraisal, 150 hours; Order and review additional appraisal, 150 hours; and Provide copy of initial and additional appraisals, 1 hour; Private education loans: Private student loan disclosures, 1,836 hours; Advertising rules (all credit types): Advertising rules, 2,067 hours; and Record retention (one-time), 190 hours.

Estimated average hours per response: Open-end (not home-secured credit): Applications and solicitations, 8 hours; Account opening disclosures, 1.5 minutes; Periodic statements, 8 hours; Change-in-terms disclosures, 1 minute; Timely settlement of estate debts policies (one-time), 8 hours; Timely settlement of estate debts policies (ongoing), 45 minutes; Ability to pay policies (one-time), 8 hours; Ability to pay policies (ongoing), 45 minutes; and Reporting and marketing rules for college student open-end credit and Internet posting of credit card agreements, 8 hours; Open-end credit (Home

Equity Plans): Application disclosures, 1.5 minutes; Account opening disclosures, 1.5 minutes; Periodic statements, 8 hours; Change-in-terms disclosures, 1 minute; and Notices to restrict credit, 3 minutes; All open-end credit: Error resolution – credit cards, 30 minutes and other open-end credit, 30 minutes; Closed-end credit (Non-mortgage): Closed-end credit disclosures, 6.5 minutes; Closed-end credit (Mortgage): Interest rate and payment summary and “No guarantee-to-refinance” statement, 40 hours; ARM disclosure (one-time), 1.5 hours; ARM disclosures (ongoing), 17 minutes; Initial rate adjustment notice (one-time), 2 hours; Initial rate adjustment notice (ongoing), 17 minutes; Periodic statements (one-time), 1 hour, 20 minutes; Periodic statements (ongoing), 0.5 minutes; and Verification of documents for Qualified Mortgage (QM) and non-QM determination (one-time), 42 minutes; Open and closed-end mortgage: Prompt crediting & payoff statement (one-time), 50 minutes; Payoff statements (ongoing), 5 minutes; and Mortgage transfer disclosure, 8 hours; Certain home mortgage types: Reverse mortgage disclosures, 3 minutes; HOEPA disclosures (one-time), 20 hours; HOEPA disclosures (ongoing), 14 hours; HOEPA receipt of certification of counseling for high-cost mortgages (one-time), 45 minutes; HOEPA receipt of certification of counseling for high-cost mortgages (ongoing), 1 hour; Appraisals for higher-priced mortgage loans: Order and review initial appraisal, 15 minutes; Order and review additional appraisal, 15 minutes; and Provide copy of initial and additional appraisals, 15 minutes; Private education loans: Private student loan disclosures, 17 hours; Advertising rules (all credit types): Advertising rules, 25 minutes; and Record retention (one-time), 18 minutes.

Number of respondents: Open-end (not home-secured credit): Applications and solicitations and Account opening disclosures, 176 respondents; Periodic statements, Change-in-terms disclosures, Timely settlement of estate debts policies (one-time), and Timely settlement of estate debts policies (ongoing), 992 respondents; Ability to pay policies (one-time), Ability to pay policies (ongoing), and Reporting and marketing rules for college student open-end credit and Internet posting of credit card agreements, 176 respondents; Open-end credit (Home Equity Plans): Application disclosures, Account opening disclosures, Periodic statements, Change-in-terms disclosures, and Notices to restrict credit, 634 respondents; All open-end credit: Error resolution – credit cards, 176 respondents and other open-end credit, 992 respondents; Closed-end credit (Non-mortgage): Closed-end credit disclosures, 992 respondents; Closed-end credit

(Mortgage): Interest rate and payment summary and “No guarantee-to-refinance” statement, ARM disclosure (one-time), ARM disclosures (ongoing), Initial rate adjustment notice (one-time), Initial rate adjustment notice (ongoing), Periodic statements (one-time), Periodic statements (ongoing), and Verification of documents for Qualified Mortgage (QM) and non-QM determination (one-time), 634 respondents; Open and closed-end mortgage: Prompt crediting & payoff statement (one-time), Payoff statements (ongoing), and Mortgage transfer disclosure, 634 respondents; Certain home mortgage types: Reverse mortgage disclosures, 15 respondents; HOEPA disclosures (one-time), HOEPA disclosures (ongoing), HOEPA receipt of certification of counseling for high-cost mortgages (one-time), HOEPA receipt of certification of counseling for high-cost mortgages (ongoing), Appraisals for higher-priced mortgage loans: Order and review initial appraisal, Order and review additional appraisal, and Provide copy of initial and additional appraisals, 25 respondents; Private education loans: Private student loan disclosures, 9 respondents; Advertising rules (all credit types): Advertising rules, 992 respondents; and Record retention (one-time), 634 respondents.

General description of report: The disclosure, record-keeping, and other requirements of Regulation Z are authorized by the TILA, which directs the Consumer Financial Protection Bureau (CFPB) and, for certain lenders, the Federal Reserve to issue regulations implementing the statute. Covered lenders are required to comply with the recordkeeping, reporting, and disclosure provisions of Regulation Z. Regulation Z is chiefly a disclosure regulation, so the issue of confidentiality does not normally arise. One aspect of the rule requires certain card issuers to submit annual reports to the CFPB, but no reports are filed with the Federal Reserve.

Abstract: TILA and Regulation Z ensure adequate disclosure of the costs and terms of credit to consumers. For open-end credit, such as credit cards and home-equity lines of credit (HELOCs), creditors are required to disclose information about the initial costs and terms and to provide periodic statements of account activity, notices of changes in terms, and statements of rights concerning billing error procedures. For closed-end loans, such as mortgage and installment loans, cost disclosures are required prior to and at consummation. Special disclosures are required for certain products, such as reverse

mortgages and high cost mortgages with rates and fees above specified thresholds. TILA and Regulation Z also contain rules concerning credit advertising.¹

Creditors are required to comply with Regulation Z's disclosure and other requirements unless the transaction is exempt.² Regulation Z generally does not apply to consumer credit transactions that exceed a threshold amount, adjusted annually for inflation.³ The threshold amount for credit extended during 2015 was \$54,600; this threshold will remain the same in 2016.

However, regardless of the amount of credit extended, Regulation Z applies to: (1) consumer credit secured by real property; (2) consumer credit secured by personal property used or expected to be used as the principal dwelling of the consumer; and (3) private student loans.

Current Actions: On February 19, 2016 the Federal Reserve published a notice in the Federal Register (**81 FR 8492**) requesting public comment for 60 days on the extension, with revision, of Reg Z. The comment period for this notice expired on April 19, 2016. The Federal Reserve did not receive any comments. The revisions will be implemented as proposed.

Board of Governors of the Federal Reserve System, May 2, 2016.

Robert deV. Frierson,
Secretary of the Board.
Billing Code 6210-01-P

¹ In addition, Regulation Z contains requirements that are not considered information collections and thus are not addressed here.

² Exemptions include business credit, credit over applicable threshold amounts, public utility credit, securities or commodities accounts, home fuel budget plans, certain student loan programs, and employer-sponsored retirement plans. See 12 CFR 1026.3.

³ 12 CFR 1026.3(b).

